



Staff Report FIN2021-024

Title of Report: **FIN2021-024 Tax Relief for Low Income Seniors and Low-Income Disabled Persons**
Department: **Finance**
Council Date: August 4, 2021

Recommendation:

Be it resolved that Council receive Staff Report FIN2021-024 Tax Relief for Low-Income Seniors and Low-Income Disabled Persons as information.

Background:

On October 2, 2001, the County of Grey passed By-law 3886-2001, a By-law to Provide Tax Relief to Certain Elderly and Disabled Persons who are Owners of Real Property in the County of Grey. By-law 3886-2001, referencing Section 373 of the Municipal Act, 1990, provided for the deferral of a tax increase in excess of \$500 in a single year.

Section 319 of the Municipal Act, 2001 states that all upper-tier municipalities must enact a by-law, to provide financial relief to low-income seniors and low-income persons with disabilities. Since lower-tier municipalities are responsible for tax collection, they are required to implement this by-law.

Section 319(6) requires that where tax relief is granted in respect of a given property, the taxes to be paid in respect of that property by the lower-tier municipality to its upper-tier municipality and applicable school board be reduced in the same proportion which they make up the total taxes imposed on that property.

Section 353(3) requires that a lower-tier municipality charge back to its upper-tier municipality and school boards their share of taxes which have been already been paid to them but have been subsequently cancelled, reduced, refunded or written off.

Staff Comments:

County of Grey By-law 3886-2001 only allowed for the deferral of an annual tax increase in excess of \$500, which would be extremely rare, and referenced an out of date Municipal Act.

On May 27, 2021, the County of Grey passed By-law 5112-21, a By-law to provide for the Cancellation of Tax Increases for the Purposes of Relieving Financial Hardship, referencing the Municipal Act, 2001. County of Grey By-law 5112-21 came into force on July 1, 2021, repealed By-law 3886-2001, and set an annual increase threshold maximum (rather than a minimum) of \$500 of one-time cancellation (rather than deferral) of tax. Any person who submits an application

with intent to fraudulently obtain relief is guilty of an offence. Every person who is guilty of an offence is liable upon conviction to a fine.

Municipal Tax Equity (MTE) Consultants Inc. Property Tax Policy Brief which summarizes the program is provided as Attachment 3.

Based on the sample created by MTE, an information sheet (Attachment 2) and application form (Attachment 1) has been developed. Applications may be made once the final tax bills have been issued and must be received by December 31st of the year for which relief is being requested.

Financial Implications:

It is unknown how many individuals meet the criteria set out in County of Grey By-law 5112-21. However, the financial impact is anticipated to be minimal.

A charge back to the County of Grey and school boards of their share of taxes which have been already been paid to them but have been subsequently cancelled, reduced, refunded or written off will occur.

Communications & Community Action Plan Impact:

This report has been written and presented to Council in accordance with the Southgate Community Action Plan:

Mission Statement Pillars

- Trusted Government
- Economic Prosperity.

Themes:

- Municipal Services
- Public Communications

Core Values:

- Integrity
- Stewardship

Concluding Comments:

County of Grey By-law 5112-21, a By-law to provide for the Cancellation of Tax Increases for the Purposes of Relieving Financial Hardship, came into force on July 1, 2021, and set an annual increase threshold maximum of \$500 of one-time cancellation of tax for eligible low-income seniors and low-income disabled persons.

Respectfully Submitted,

Staff: **Original Signed By**
John Kurian, CPA, CA, Deputy Treasurer / Tax Collector

Treasurer: **Original Signed By**
William Gott, CPA, CA, Treasurer

CAO Approval: **Original Signed By**
Dave Milliner, CAO

Attachments

- 1) Tax Relief for Low Income Seniors and Low Income Disabled Persons – Application
- 2) Tax Relief for Low Income Seniors and Low Income Disabled Persons – Info Sheet
- 3) MTE Property Tax Policy Brief